Tax and Regulatory Bulletin

August 2025

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Executive Summary

Bureau of Internal Revenue (BIR)

1. Hybrid vehicles shall be subject to 50% of the applicable excise tax rates on automobiles
2. Exclusion of pick-ups from the list of automobiles exempt from excise tax starting 1 July 2025.
3. Implementation of the Documentary Stamp Tax (DST) rate adjustments and amendments to the documents and papers not subject to DST under the Capital Markets Efficiency Promotion Act (CMEPA).
4. Implementation of the rate adjustment of Stock Transaction Tax (STT) and the imposition of STT on sale or exchange of domestic shares of stocks and other securities listed and traded through a foreign stock exchange under Section 17 of Republic Act (RA) No. 12214, otherwise known as the "Capital Markets Efficiency Promotions Act," Further Amending Section 127 of the 1997 Tax Code, as amended.
5. Release of guidelines and procedures on the registration, filing of returns, and payment of Value-Added Tax (VAT) for Non-resident Digital Service Providers through the VAT on Digital Services Portal.

Bangko Sentral ng Pilipinas

1. The BSP issued the Frequently Asked Questions (FAQ) Series 1.2 to further provide clarity and guidance on the provisions and application of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG).
2. Suspension of In-app gambling access in mobile payment apps and websites.
3. Unit Investment Trust Funds (UITFs) are recognized as BSP-eligible PERA investments products under the Eligibility Criteria for Personal Equity and Retirement Account (PERA) Investment Products

Securities and Exchange Commission

1. The classification of common shares into Class "A" and Class "B" of all listed companies shall be discontinued.
2. The SEC shortened the validity of Payment Assessment Form (PAF) to 10 days from 45 days.
3. The SEC shall no longer require the submission of the written consent of each creditor in connection with applications for decrease of authorized capital stock filed with the Financial Analysis and Audit Department (FAAD).
4. The right to use trademarks may be among the property rights transferred from the absorbed corporation to the surviving corporation, by operation of law, in a merger pursuant to Section 79 of the Revised Corporation Code of the Philippines (RCCP).

Court of Tax Appeals (CTA)

1. Under our tax laws and as established by jurisprudence, the issuance of a Letter of Authority (LOA) to a revenue officer who will conduct the examination of a taxpayer is an essential right to due process, in such that absence of a LOA violates a taxpayer's right to due process and renders the resulting assessment void.
2. The Bureau of Internal Revenue (BIR) accreditation of tax agents stands as a reasonable and necessary measure to ensure that practitioners maintain proficiency in the ever-evolving field of tax and procedure. It is a legitimate exercise of power flowing from the BIR's express power to accredit tax agents and express mandate under the National Internal Revenue Code (NIRC), as amended, to administer, enforce, and implement tax laws with efficacy and integrity.

Supreme Court

1. The court cannot consider the issue of the non-issuance of the Letter of Authority if this is not raised by the parties as an issue in their pleadings and during trial.

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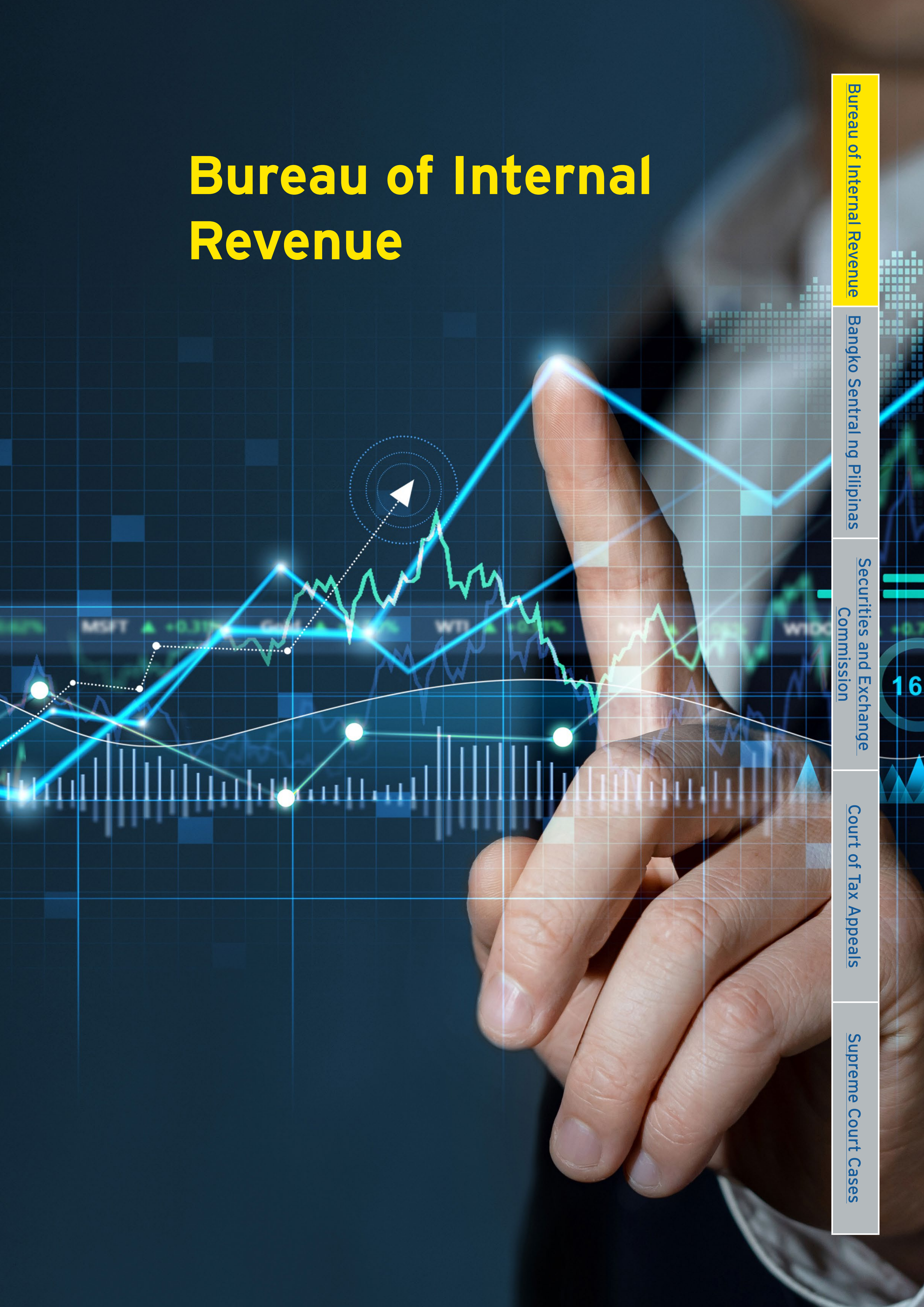
Bureau of Internal Revenue



Bureau of Internal Revenue
Bangko Sentral ng Pilipinas
Securities and Exchange Commission
Court of Tax Appeals
Supreme Court Cases

RR No. 18-2025 amends pertinent provisions of RR No. 25-2003, as amended, to implement Section 149 of the Tax Code, as further amended under Section 18 of Republic Act (RA) No. 12214, otherwise known as the Capital Markets Efficiency Promotion Act (CMEPA).

Bureau of Internal Revenue

Revenue Regulations (RR) No. 18-2025 dated 5 August 2025

- Section 149 of the Tax Code, as further amended by Section 18 of the CMEPA, which now reads, as follows:

  SEC. 149. Automobiles. - There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule:

  xxx

  Provided, that hybrid vehicles shall be subject to 50% of the applicable excise tax rates on automobiles under this Section: Provided, further, that purely electric vehicles shall be exempt from excise tax on automobiles."

- These Regulations cover the exclusion of pick-ups from the list of automobiles exempt from excise tax starting 1 July 2025.

- Section 3 of the RR provides the definition of pick-ups, as follows:

  PICK-UPS – shall refer to motor vehicles having enclosed cab and open bodies with low sides and tailgates.

- Section 4 of RR No. 25-2003, as amended, is amended as follows:

  SEC. 4. Rates and Bases of the Ad Valorem Tax on Automobiles

  There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's/assembler's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule:

Net Manufacturer's/ Importer's Selling Price	Tax Rate
Up to Six Hundred Thousand Pesos (Php600,000.00)	4%
Over Six Hundred Thousand Pesos (Php600,000.00) to One Million Pesos (Php1,000,000.00)	10%
Over One Million Pesos (Php1,000,000.00) to Four Million Pesos (Php4,000,000.00)	20%
Over Four Million Pesos (Php4,000,000.00)	50%

  Provided, that hybrid vehicles shall be subject to 50% of the applicable excise tax rates on automobiles: Provided, further, that purely electric vehicles shall he exempt from excise tax on automobiles.

- Section 9 of RR No. 25-2003 is amended to exclude pick-ups from the list of tax-exempt removals of automobiles:

  SEC. 9. Tax-Exempt Removals of Automobiles. The following removals of locally manufactured/assembled or release of imported automobiles from the place of production or from customs' custody, respectively, are exempt from the payment of the appropriate excise taxes subject to certain conditions.

a. **Removals for Export**

No ad valorem tax shall be collected on locally manufactured/assembled automobiles which shall be removed for exportation and are actually exported without returning to the Philippines subject to the following conditions:

(1) **Permit to Export** - Immediately before removal, exporters of automobile shall apply in writing for a written permit from the Commissioner of Internal Revenue (CIR), stating the brand/model, number of units and value per unit of the automobiles to be exported, country of destination, name of the vessel, consignee, and the place of loading. The discovery of any of such unit in-transit or which have actually been exported **without the issuance of the appropriate permit shall be deemed prima facie evidence of illegal removal of the same** and the ad valorem tax shall be due immediately upon demand.

(2) **Direct delivery to vessel** - Automobiles for export shall be loaded direct from the place of production/assembly to the vessel or means of transportation carrying them outside the Philippines and the same shall be under the supervision of authorized internal revenue officer. A certification to this effect shall be duly issued by the Bureau of Customs immediately after loading and departure of the vessel or other means of transportation from the Philippine territory.

(3) **Proof of exportation** - Exporters of automobiles are required to submit proof of exportation satisfactory to the CIR within 30 days from the date of removal from the place of assembly/production. The proofs of exportation shall consist of the following documents.

i. Statement from the Bangko Sentral ng Pilipinas (BSP) or any of its accredited banks that the proceeds of the sale in acceptable foreign currency have been inwardly remitted and accounted for in accordance with the existing banking rules and regulations
ii. Certified true copy of the bill of lading or airway bill
iii. Commercial invoice issued by the manufacturer/assembler- exporter to the foreign consignee
iv. An Export Entry and a Certificate of Inspection and Loading issued by the Bureau of Customs officer who had supervised the actual loading of the automobile units into the vessel

In cases where the proofs of exportation are not submitted within the thirty-day period, or where such proofs are submitted within the period but the same are not satisfactory to the CIR, the manufacturer/assembler-exporter shall be required to pay the ad valorem tax including the applicable penalties. Such payment shall be entered in the Official Register Book stating the date of payment and validation number of the official receipt covering the payment.

(4) **Exporter's bond** - when deemed necessary, an exporter shall be required to give a bond for an amount equivalent to the removal of the same for export shipment, conditioned upon the exportation of the same in good faith.

b. **Delivery to tax-exempt persons or entities**

Manufacturers/assemblers or importers of automobiles are hereby allowed to sell to tax-exempt persons or entities without the pre-payment of ad valorem tax subject to certain conditions.

1. Tax exempt persons or entities

   a) Embassies of foreign governments subject to the principle of reciprocity
   b) Tax-exempt organizations such as the Asian Development Bank (ADB) pursuant to special laws and subject to existing rules and regulations
   c) Other tax-exempt entities or agencies covered by tax treaties, conventions, and international agreements to which the Philippines is a signatory subject to reciprocity

   The above persons or entities may also remove imported automobiles from customs custody without the pre-payment of the ad valorem tax subject to existing rules and regulations.

2. Requirements in the sale of automobiles to tax-exempt entities

   No automobiles shall be removed from the assembly plant or place of production or release from customs custody for sale to tax- exempt agencies without prior written approval from the CIR. The tax-exempt customer of the manufacturers/assembler or importer shall apply in writing for the approval of such exemption submitting, among others, favorable indorsement from concerned government agency (e.g., Department of Foreign Affairs for tax exempt purchase of automobile by foreign embassies for their official use); an authenticated true copy of the purchase order indicating the description of the automobiles to be purchased: the chassis and engine number; and the place or location of the point of delivery of the automobiles.

   The written approval of the CIR or his duly authorized representative shall be forwarded by the tax- exempt customer to the manufacturer/assembler, through the dealer and thereafter, the automobile may be removed and delivered, free from excise tax to the dealer. Such written approval is valid only for the particular transaction applied for by the tax-exempt customer.

3. Tax credits/refunds by tax-exempt persons or entities

   In cases where the tax-exempt persons or entities purchased automobiles in which the ad valorem tax due thereon was paid or where the ad valorem tax had been erroneously or illegally collected, such tax-exempt persons or entities may file a claim for tax refund or tax credit with the CIR under existing rules and regulations, submitting the following:

   a) Authenticated copy of the Certificate of Tax Exemption
   b) Original and duplicate copies of sales invoices
   c) Certified photocopies of proof of payment of the ad valorem tax

   The claim for tax credit/refund for erroneous payment of ad valorem tax should be filed within two years from date of payment of the ad valorem tax. Processing of claims for tax refund/credit shall be done by the BIR but the actual issuance of Tax Credit Certificate/refund shall come from the agency where the actual payment was made.

c. **Removals for delivery and use exclusively within the freeport zone**

For purposes of these Regulations, automobiles imported directly into the legislated freeport zones from abroad or purchased from establishments located within the customs territory for use exclusively within the freeport zone shall he exempt from the imposition of the excise tax. Therefore, in the event that the automobile is, by whatever mode, introduced into the customs territory, in case where the automobile was directly imported, or re-introduced into the customs territory in case the automobile was purchased from establishments located within the customs territory, the same shall be deemed an importation into the Philippines subject to customs duties, taxes, and charges, including excise and value-added taxes.

d. **Removed of automobiles for test run**

Should an automobile be removed for test run, prior notice of the test should be given to the appropriate BIR Office that may allow the test run; provided, that the unit under the test run shall be returned to the plant on the same day. In the event that the manufacturer/assembler failed to return the said unit to the manufacturing/ assembly plant within the prescribed period, the ad valorem tax otherwise due thereon shall be **immediately due and demandable**.

e. **Purely Electric Vehicle**

Purely Electric Vehicle shall be exempt from the Excise Tax on Automobiles. Hybrid Vehicles shall he subject to 50% of the applicable excise tax rates on automobiles. Prior to the removal of the automobiles from the manufacturing plant or customs custody, the CIR shall refer to the electric vehicle recognition list published by the Department of Energy (DOE), which contains the information and classification for battery electric vehicles (purely electric vehicles/BEV), plug-in hybrid electric vehicles (PHEV), and hybrid electric vehicles (HEV).

The BIR shall make a determination whether the automobile is exempt from excise tax or subject to 50% excise tax, respectively, on the basis of the DOE's list of recognized electric vehicles, published on its website, without prejudice to the BIR's authority to conduct any post-verification assessment of the automobiles.

For purposes of keeping up to date with the latest publications of the list of recognized electric vehicles, the DOE shall furnish the BIR with a certified true copy of an updated list of recognized electric vehicles.

- All manufacturers, assemblers or importers are hereby required to file an updated manufacturers'/assemblers' or importers' sworn statement on all brands/models of pick-ups as of 30 June 2025. The updated manufacturers'/assemblers' or importers' sworn statement shall be submitted to the CIR, Attention: Chief, Excise Large Taxpayers Regulatory Division (ELTRD) within 15 working days from the date of effectivity of these Regulations. This sworn statement shall likewise be subjected to verification as provided under existing regulations and issuances.

  All manufacturers, assemblers or importers are further required to submit a duly notarized list of inventories of on-hand Completely Built-Up (CBU) pick-ups, including Completely Knocked Down (CKD) and Semi-Knocked Down (SKD) units that are located within the manufacturing/assembly plant, storage facility or warehouse or the customs premises, and those in transit for which import entries have been filed with the Bureau of Customs (BOC) on or before 30 June 2025, indicating therein the brand, model, year, engine number, body and chassis number thereof. The list shall be submitted to the CIR, Attention: Chief, Excise LT Field Operations Division (ELTFOD) **within 15 working days** from the date of effectivity of these Regulations. Failure to submit the inventory list shall be construed that the concerned manufacturers, assemblers or importers do not have any inventory on hand or in transit of CBUs, CKDs and SKDs **as of 30 June 2025**.

- In order to ensure the orderly implementation of these Regulations, the imposition of excise tax on pick-ups shall not apply on the following:

    1. Those units that are included in the inventory list **as of 30 June 2025**, duly submitted to the BIR within the prescribed period

    2. Those units in transit for which import entries have been filed with the BOC **on or before 30 June 2025**, and withdrawn on or after 1 July 2025

- This RR shall take effect on 1 July 2025.

RR No. 19-2025 implements the Documentary Stamp Tax (DST) rate adjustments and amendments to the documents and papers not subject to DST under the CMEPA.

RR No. 19-2025 dated 5 August 2025

- These Regulations shall cover documents, loan agreements, instruments, papers, acceptances, assignments, sales and transfers of the obligation, right or property incident thereto in respect of the transactions made or accomplished on 1 July 2025 onwards.

- For purposes of these Regulations, the following terms shall be taken to mean as follows:

    - **Mutual Fund Company** - an open-end and close-end company as defined under the Investment Company Act.

    - **Unit Investment Trust Fund** - an open-ended pooled trust fund denominated in peso or any acceptable currency, which is established, operated, and administered by a trust entity and made available by participation.

    - **Debt Instrument** - shall mean instruments representing borrowing and lending transactions, including but not limited to debentures, certificates of indebtedness, due bills, bonds, loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines, instruments and securities issued by the government or any of its instrumentalities, deposit substitutes, debt instruments, certificates or other evidences of deposits that are either drawing interest significantly higher than the regular savings deposit taking into consideration the size of the deposit and the risks involved or drawing interest and having a specific maturity date, promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation.

- Section 174 of the Tax Code, as amended by Section 19 of the CMEPA, now reads as follows:

    *"**SEC. 174. Stamp Tax on Original Issue of Shares of Stock.** - On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of **75% of 1% of the par value of such shares of stock:***

Provided, That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: Provided, further, That in the case of stock dividends, on the actual value represented by each share." (Emphasis supplied)

- Section 176 of the Tax Code, as amended by Section 20 of the CMEPA, now reads as follows:

  "SEC 176. Stamp Tax on Bonds, Debentures, and Certificates of Stock or Indebtedness Issued in Foreign Countries. *- A documentary stamp tax of 75% of 1% of the value of the transaction shall be collected from the person selling or transferring bonds, debentures, certificates of stock, or certificates of indebtedness issued in any foreign country." (Emphasis supplied)*

- Section 179 of the Tax Code, as amended by Section 21 of the CMEPA, now reads as follows:

  "SEC. 179. Stamp Tax on All Debt Instruments. *- On every original issue of debt instruments, there shall be collected a documentary stamp tax of* ***75% of 1% of the issue price of any such debt instrument:*** *Provided, That for such debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days: Provided, further, That only one documentary stamp tax shall be imposed on the loan agreement and promissory notes,* ***mortgage, security interest over personal property, and other contracts*** *issued to secure such loan." (Emphasis supplied)*

  In cases where a loan agreement and a promissory note, mortgage, security interest over personal property and other contracts issued to secure such loan are simultaneously issued and executed, only one DST shall be imposed on either loan agreement or promissory note, mortgage, security interest over personal property and other contracts issued to secure such loan, whichever will yield a higher tax. Moreover, where only one instrument was prepared, made, signed or executed to cover a loan agreement/promissory note/pledge/mortgage, the DST prescribed in Section 195 of the Tax Code, on *Stamp Tax on Mortgages, Pledges and Deeds of Trust*, shall be paid and computed on the full amount of the loan or credit granted. In this regard, the instrument shall be treated as covering only one taxable transaction.

- Section 199 of the Tax Code, as amended by Section 23 of the CMEPA, now reads as follows:

  SEC. 199. Documents and Papers Not Subject to Stamp Tax. - The provisions of Section 173 to the contrary' notwithstanding, the following instruments, documents, and papers shall be exempt from the documentary stamp tax:

  (e) Sale, exchange, ***redemption, or other disposition*** *of shares of stock listed and traded through a local or foreign stock exchange.*

  (o) ***Original issuance, redemption, or other disposition of shares in a mutual fund company****.*

  (p) ***Issuance of certificate or other evidence of participation in a mutual fund or unit investment trust fund."*** *(Emphasis supplied)*

- If any of the provisions of these Regulations are subsequently declared invalid or unconstitutional, the validity of the remaining provisions shall remain in force and in full effect.

- All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

- These Regulations shall take effect on 1 July 2025.

RR No. 20-2025 implements the rate adjustment of Stock Transaction Tax (STT) and the imposition of STT on sale or exchange of domestic shares of stocks and other securities listed and traded through a foreign stock exchange under Section 17 of Republic Act (RA) No. 12214, otherwise known as the "Capital Markets Efficiency Promotions Act," Further Amending Section 127 of the 1997 Tax Code, as amended.

RR No. 20-2025 dated 5 August 2025

- For purposes of these Regulations, the following definitions of words and phrases are hereby adopted:

  - **Shares of stock** shall refer to shares of stock of a corporation, warrants, options as well as units of participate in a partnership [except general professional partnerships (GPPs)], joint stock companies, joint accounts, joint ventures taxable as corporations, associations, and recreation or amusement clubs (such as golf, polo or similar clubs), and mutual fund certificates.

  - **Shareholder** shall refer to holders of shares of stock, warrants, options, as well as holders of a unit of participation in a partnership (except GPPs), joint stock company, joint account, taxable joint ventures, and holder of a mutual fund certificate, joint-stock company, or insurance company or member in an association, recreation, or amusement club, such as golf, polo or similar clubs.

  - **Securities** shall refer to shares, participation, or interest in a corporation, commercial enterprise, or profit-making venture evidenced by a certificate, contract, or instrument, whether written or electronic in character, which shall include:

    - Shares of stock, bonds, debentures, notes, evidence of indebtedness, and asset-backed securities
    - Investment contracts, certificates of interest, or participate in a profit-sharing agreement, such as certificates of deposit for a future subscription
    - Fractional undivided interests in oil, gas or other mineral rights
    - Certificates of assignments, certificates of participation, trust certificates, voting trust certificates, or similar instruments
    - Proprietary or non-proprietary membership certificates in corporations
    - Other similar instruments as may be determined by the Securities and Exchange Commission (SEC)

  - **Dealer in securities** means a merchant of stocks or securities, whether an individual, partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and the resale thereof to customers; that is, one who, as a merchant, buys securities, and re-sells them to customers with a view to the gains and profits that may be derived therefrom.

  - **Stock broker** includes all persons whose business it is, for other brokers, to negotiate, purchases or sales of stocks, or engaged in the business of effecting transactions in securities for the account of others but does not include a bank or underwriter for one or more investment companies as defined in the Investment Company Act. **Broker** is a person engaged in business of buying and selling securities for the account of others.

- **Exchange** is an organized marketplace or facility that brings together buyers and sellers and execute trades of securities and/or commodities.

- There shall be levied, assessed and collected on every sale, exchange, or other disposition of shares of stock and other securities listed and traded through a local stock exchange, other than sale by a dealer in securities, in lieu of capital gains tax, a tax as follows:

Particulars	Tax Rate and Base	Effectivity
Sale, exchange, or other disposition of shares of stock and other securities listed and traded through a Local Stock Exchange	1/10 of 1% (0.1%) of the Gross selling price or gross value in money of the shares of stock/ other securities sold, exchanged or disposed	1 July 2025

- There shall be levied, assessed and collected on every sale, exchange, or other disposition of shares of stock and other securities of a domestic corporation listed and traded through a foreign stock exchange, other than sale by a dealer in securities, in lieu of capital gains tax, a tax as follows:

Particulars	Tax Rate and Base	Effectivity
Sale, exchange, or other disposition of shares of stock and other securities of a domestic corporation listed and traded through a **Foreign Stock Exchange**	1/10 of 1% (0.1%) of the Gross selling price or gross value in money of the shares of stock/ other securities sold, exchanged or disposed	1 July 2025

- Any gain realized from the sale or exchange, or disposition of listed shares of stocks and other securities by a dealer in securities licensed by the appropriate government regulatory agencies to buy and sell securities, for the individual's own account in the ordinary course of business, shall be considered ordinary income subject to graduated rates for individuals and regular corporate income tax for corporation.

- It shall be the duty of every stock broker who effected the sale through the local stock exchange subject to the tax imposed therein to collect the tax and remit the same to the BIR within five banking days from the date of collection thereof and to submit on Mondays of each week to the secretary of the stock exchange, of which the stock broker is a member, a true and complete return which shall contain a declaration of all the transactions effected through the taxpayer during the preceding week and of taxes collected by the said taxpayer and turned over to the BIR.

  Provided, that for return on sale of shares of stock of a domestic corporation listed and traded in foreign stock exchanges, the collection and remittance of the above tax and the compliance of the foregoing reportorial requirements shall be made by the selling shareholder, by himself/herself, or through the stock broker, or authorized representative, on behalf of the selling shareholder: Provided further that the remittance of the said shall be made within a period not exceeding ten banking days from the date of collection thereof.

  No sale, exchange, transfer or similar transaction intended to convey ownership of, or title to any share of stock shall be registered in the books of the corporation unless the receipts of payment of the tax herein imposed is filed with and recorded by the stock transfer agent or secretary of the corporation. It shall be the duty of the aforesaid persons to inform the BIR in case of non-payment of tax. Any stock transfer agent or secretary of the corporation or the stock broker, who caused the registration of transfer of ownership or title on any share of stock in violation of the aforementioned requirements shall be punished in accordance with the applicable provisions of Title X of the 1997 Tax Code.

- If any provisions of these Regulations are declared invalid by a competent court, the remainder of these Regulations or any provisions not affected by such declaration of invalidity shall remain in force and effect.
- All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.
- These Regulations shall take effect on 1 July 2025.

RR No. 21-2025 implements the amendments introduced by RA No. 12214, otherwise known as the CMEPA on Sections 22, 24, 25, 27, 28, 32, 34, 38, 39 and 42 of the National Internal Revenue Code of 1997, as amended (Tax Code).

RR No. 21-2025 dated 5 August 2025

- For purposes of these Regulations, the following terms shall be taken to mean as follows:
  - Shares of stock - refer to shares of stock of a corporation, warrants, options, as well as units of participation in partnerships (except general professional partnerships), joint stock companies, joint accounts, joint ventures taxable as corporations, associations, and recreation or amusement clubs (such as golf, polo, or similar clubs), and mutual fund certificates.
  - Shareholder - refers to a holder of shares of stock, warrants, options, as well as holder of a unit of participation in a partnership (except general professional partnerships), joint stock company, joint account, taxable joint venture, and holder of a mutual fund certificate, joint-stock company, or insurance company, or member in an association, recreation, or amusement club, such as golf, polo, or similar clubs.
  - Securities - refer to shares, participation, or interest in a corporation, commercial enterprise, or profit-making venture evidenced by a certificate, contract, or instrument, whether written or electronic in character, which shall include:
    - Shares of stock, bonds, debentures, notes, evidence of indebtedness, and asset-backed securities
    - Investment contracts, certificates of interest, or participation in a profit-sharing agreement, such as certificates of deposit for a future subscription
    - Fractional undivided interests in oil, gas. or other mineral rights
    - Certificates of assignment, certificates of participation, trust certificates, voting trust certificates, or similar instruments
    - Proprietary or non-proprietary membership certificates in corporations
    - Other similar instruments as may be determined by the Securities and Exchange Commission

- Deposit substitute - refers to an alternative form of obtaining funds from the public other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations.

  Provided, that the term 'public' shall mean twenty or more individual or corporate lenders at any given time. These instruments may include, but need not be limited to bankers' acceptances, promissory notes, repurchase agreements, excluding reverse repurchase agreements entered into by and between the Bangko Sentral ng Pilipinas (BSP) and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse.

  Provided, however, that debt instruments issued for interbank call loans with maturity of not more than five days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.

- Passive income - refers to any income that is earned from sources that do not require a taxpayer's active pursuit and performance of trade or business and is not subject to value-added tax imposed in the Tax Code.

- Equity-based compensation - covers all types of employee equity schemes that come in different forms such as stock options, restricted stock units, stock appreciation rights, and restricted share awards, which may or may not pertain to the shares of stock of the grantor itself but which all have the common feature of being granted to existing employees of the grantor as a performance incentive for services rendered by the employees and are typically dependent on performance, outstanding business achievements and. exemplary organizational, technical or business accomplishments.

- Stock options - merely entitles the employee to purchase shares at a future date. Thus, unless the options are exercised, the employees do not become shareholders. The period between the grant of stock options and the date when they become exercisable represents the vesting period.

- Restricted stock units - stock units may or may not be subject to a vesting period, as will be specified in the grant. Settlement of vested stock may be made in the form of (i) shares, (ii) cash or (iii) a combination of shares and cash.

- Stock appreciation rights - the terms and conditions are similar to stock options. However, under the stock appreciation rights, the optionee may receive (i) shares. (ii) cash or (iii) a combination of shares and cash, as determined by the grantor.

- Mutual Fund Company - an open-end and close-end company as defined under the Investment Company Act.

- Unit Investment Trust Fund - an open-ended pooled trust fund denominated in peso or any acceptable currency, which is established, operated, and administered by a trust entity and made available by participation.

- The coverage of the uniform rates of tax on certain passive income pursuant to Sections 24, 25, 27, and 28 of the Tax Code, as further amended by the CMEPA is as follows:

Individual (Effective 1 July 2025)

A. Citizen, Resident Alien, and Non- Resident Alien Engaged in Trade or Business

Sections of the Tax Code	Particulars	Income Tax Rate
Sections 24(B)(1) and 25(A)(1), in relation to the last paragraph of Section 27(D)(2)	Interest, yield, or any other monetary benefit earned from any currency bank deposit or deposit substitute, trust funds and other similar arrangements, regardless of their nature or tenure, except income of non-residents, whether individuals or corporations, from transactions with depositary banks under the expanded system which shall be exempt from income tax	20%
Sections 24(B)(1) and 25(A)(1)	Prizes (except prizes amounting to Phpl0,000 or less which shall be subject to graduated tax rates under Section 24[A] of the Tax Code)	20%
Sections 24(B)(1) and 25(A)(1)	Other Winnings (except winnings amounting to Php10,000 or less from Philippine Charity Sweepstakes and Lotto which shall be exempt)	20%
Sections 24(B)(2) and 25(A)(2)	Cash and/or Property Dividends	10% - except for Non- Resident Alien Engaged in Trade or Business which is subject to income tax rate of 20%
Sections 24(B)(3) and 25(A)(1)	Capital Gains - Sale, exchange or other disposition of shares of stock in a domestic or foreign corporation not traded in a local or foreign stock exchange (Note: Shares of a domestic corporation sold or disposed of through a local or foreign stock exchange are subject to stock transaction tax, in lieu of capital gains tax, under Section 127 (A) and (B) of the Tax Code)	15%
Sections 24(B)(4) and 25(A)(1)	Capital Gains from Sale of Real Property	6% on gains presumed to have been realized from the sale, exchange, or other disposition of real property (capital assets)

Sections of the Tax Code	Particulars	Income Tax Rate
Sections 24(B)(5) and 25(A)(1)	Royalties earned as Passive Income	20%
Sections 24(B)(5) and 25(A)(1)	Royalties on books, as well as other literary works and musical compositions	10%
Section 25(A)(3), in relation to Section 28	Cinematographic films and similar works by a Non-Resident Cinematographic Film Owner, Lessor or Distributor	25%
Section 27(D)(2)	Any income of non-residents from transactions with depositary banks under the expanded system	Exempt

B. Non- Resident Alien Not Engaged in Trade or Business

Sections of the Tax Code	Particulars	Income Tax Rate
Section 25(B), in relation to Section 27(D)(2)	Interest, yield, or any other monetary benefit earned from any currency bank deposit or deposit substitute, trust funds and other similar arrangements, regardless of their nature or tenure, except income from transactions with depositary banks under the expanded system which shall be exempt from income tax	25% (or the tax treaty rate)
Section 25(B)	Cash and/or Property Dividends	25% (or the tax treaty rate)
Section 25(B)	Rents, royalties, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable annual or periodic or casual gains, profits, and income	25% (or the tax treaty rate on royalties)
Section 25(B), in relation to Section 24(B)(3)	Capital Gains – Sale, exchange, or other disposition of shares of stock not traded in a local or foreign stock exchange (Note: Shares sold or disposed of through a local or foreign stock exchange are subject to stock transaction tax, in lieu of capital gains tax, under Section 127(A) and (B) of the Tax Code)	15% (or the tax treaty rate)

Sections of the Tax Code	Particulars	Income Tax Rate
Section 25(B), in relation to Section 24(B)(4)	Sale of real property	6% on gains presumed to have been realized from the sale, exchange, or other disposition of real property (capital assets)
Section 27(D)(2)	Any income of non-residents from transactions with depositary banks under the expanded system	Exempt

Corporations (Effective 1 July 2025)

A. Domestic and Resident Foreign Corporations

Sections of the Tax Code	Particulars	Income Tax Rate
Sections 27(D)(1) and 28(A)(1)	Interest, yield, or any other monetary benefit earned from any currency bank deposit or deposit substitute, trust funds and other similar arrangements, regardless of their nature or tenure	20%
Sections 27(D)(2) and 28(A)(6)	Income derived by a depositary bank under the expanded foreign currency deposit system from foreign currency transactions with nonresidents, offshore banking units in the Philippines, local commercial banks including branches of foreign banks that may be authorized by the Bangko Sentral ng Pilipinas (BSP) to transact business with foreign currency deposit system units and other depositary banks under the expanded foreign currency deposit system, except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation by the Monetary Board to be subject to the regular income tax payable by banks	Exempt from all taxes

Sections of the Tax Code	Particulars	Income Tax Rate
Sections 27(D)(2) and 28(A)(6)	Interest income from foreign currency loans granted by such depositary banks under said expanded systems to residents other than offshore banking units in the Philippines or other depositary banks under the expanded system	10%
Section 28(A)(1)	Intercorporate dividends received from a domestic corporation	Exempt
Section 27(D)(4)	Capital Gains – Sale, exchange or other dispositions of shares of stock of a domestic or foreign corporation not traded in a local or foreign stock exchange (Note: shares sold or disposed of through a local or foreign stock exchange are subject to stock transaction tax, in lieu of capital gains tax, under Section 127(A) and (B) of the Tax Code)	15%
Section 27(D)(5)	Capital Gains realized from the sale, exchange, or disposition of land and/or buildings (for Domestic Corporations)	6% on the gain presumed to have been realized on the sale, exchange or disposition of lands and/or buildings (capital assets)
Sections 27(D)(6) and 28(A)(1)	Royalties earned as Passive Income	20%

B. Non-Resident Foreign Corporations

Sections in the Tax Code	Particulars	Income Tax Rate
Section 28(B)(1), in relation to Section 28(A)(6)	Interest, yield, or any other monetary benefit earned from any currency bank deposit or deposit substitute, trust funds and other similar arrangements, regardless of their nature or tenure, except income from transactions with depositary banks under the expanded system which shall be exempt from income tax	25% (or the tax treaty rate)

Sections in the Tax Code	Particulars	Income Tax Rate
Section 28(B)(5)(b)	Cash and/or Property Dividends received from a domestic corporation	15% subject to the condition that the country of residence of the corporate shareholder allows a credit of 10% tax deemed to have been paid in the Philippines or that the country of residence of the corporate shareholder does not impose any tax on the dividends (or the tax treaty rate)
Section 28(B)(1)	Rents, royalties, salaries, premiums (except reinsurance premiums), annuities, compensation, emoluments, or other fixed or determinable annual, periodic or casual gains, profits, and income, and capital gains, except capital gains subject to tax under Section 28(A)(1)	25% (or the tax treaty rate on royalties)
Section 28(B)(5)(c)	Capital Gains – Sale, exchange or other dispositions of shares of stock of a domestic corporation not traded in a local or foreign stock exchange (Note: Shares sold or disposed of through a local or foreign stock exchange are subject to stock transaction tax, in lieu of capital gains tax, under Section 127(A) and (B) of the Tax Code)	15% (or the tax treaty rate)
Section 28(A)(6)(b)	Any income of non-resident corporations from transactions with depositary banks under the expanded system	Exempt

- If the income is generated in the active pursuit and performance of the corporation's primary purposes, the same is not passive income. For VAT purposes, during trade or business includes transactions incidental thereto. Also, the rule of regularity to the contrary notwithstanding, the following shall be considered as being rendered during trade or business in the Philippines and. thus, subject to VAT:

    1. Services rendered in the Philippines by non-resident foreign persons
    2. Digital services delivered by non-resident digital service providers consumed in the Philippines

- As provided in Section 8 of the CMEPA, amending Section 32 of the Tax Code, the following items are included as part of the gross income. These are:

    1. Equity-based compensation, such as stock options, restricted stock units, stock appreciation rights, and similar items: Provided, that equity-based compensation shall be included in the gross income all the time of exercise.

    2. Gains realized from the sale or exchange or retirement of bonds, debentures or other certificate of indebtedness including those with a maturity period of more than five years. Thus, if traded through a local or foreign stock exchange, subject to stock transaction tax (STT) under Section 127 of the Tax Code: otherwise, subject to ordinary income tax (graduated rates) for individual and regular corporate income tax for corporation.

- Pursuant to Section 8 of the CMEPA, amending Section 32(B)(7) of the Tax Code, there are additional items excluded from gross income, which means that these items are also exempt from income tax. These are:

    1. Interest Income and Gains from the Sale, Transfer, or Disposition of Project-Specific Bonds. - Specific bonds that are issued by the Republic of the Philippines or any of its instrumentalities to finance capital expenditures or programs covered by the Philippine Development Plan or its equivalent and other high-level priority programs of the national government, as determined by the Secretary of Finance.

    2. Gains from Redemption of Shares or Units of Participation in Mutual Fund and Unit Investment Trust Fund. - Gains realized by the investor upon redemption of shares of stock in a mutual fund company as defined in Section 22 (BB) of the Tax Code, or units of participation in a Mutual Fund or Unit Investment Trust Fund: Provided, that prior to such redemption, final taxes due on realized gains have been previously withheld at the level of the underlying assets.

- Section 9 of the CMEPA, amending Section 34 of the Tax Code, provides that, in the case of securities held by a dealer in securities or an entity licensed by the appropriate government regulatory agencies to buy and sell securities either for the entity's own account or for the account of others, including banks and other financial intermediaries, said securities will be considered as ordinary assets and if ascertained to be worthless, such instruments will be considered as ordinary losses that are allowed as deduction from the taxable income.

- Section 9 of the CMEPA likewise provides that 50% of the employer's actual contribution made to Personal Equity and Retirement Accounts (PERA) under RA No. 9505 shall be an additional deduction from gross income, subject to compliance with the requirements set forth therein.

- As provided in Section 10 of the CMEPA, amending Section 38 of the Tax Code, aside from dealer in stock or securities, any entity or financial intermediary duly licensed by the appropriate government regulatory agencies to buy and sell securities either for the entity's own account or for the account of others can likewise claim deduction under Section 34 of the Tax Code for the loss from wash sales of stocks or securities provided that such loss arises out of transactions made in the ordinary course of the business of such dealer, entity, or financial intermediary.

- Pursuant to Section 11 of the CMEPA, amending Section 39 of the Tax Code, the limitation of capital losses under Section 39 (C) of the Tax Code does not apply to dealer in securities or other entity or financial intermediary duly licensed by the appropriate government regulatory agencies to trade in securities that sells any bond, debenture, note, or certificate or other evidence of indebtedness issued by any corporation (including one issued by a government or political subdivision thereof), with interest coupons or in registered form.

- Pursuant to Section 12 of the CMEPA, amending Section 42 of the Tax Code, interest income from debt instruments, bank deposits, deposit substitutes, trust funds, and other similar arrangements, such as bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, regardless of the place of execution of said instruments, including debt instruments or debt securities issued by the government or any of its agencies or instrumentalities, arc also considered sourced within the Philippines.

- Any tax exemption and preferential rate on financial instruments issued or transacted prior to 1 July 2025, shall be subject to the prevailing tax rate at the time of its issuance for the remaining maturity of the relevant agreement.

    - The prevailing rate or tax exemption prior to 1 July 2025, shall apply only for the remaining maturity of the relevant agreement if the following conditions are present:

        - The financial instrument was issued or transacted prior to 1 July 2025 as evidenced by the instrument itself or any other relevant agreement either in written or electronic format
        - The instrument itself or agreement provides for the maturity period of the financial instrument as agreed upon or stated in the instrument which is beyond 1 July 2025
        - There is no change in the maturity date or remaining period of coverage from that of the original document or agreement, and no renewal or issuance of new instrument to replace the old ones, starting 1 July 2025

- These regulations shall take effect on 1 July 2025.

RR No. 22 – 2025 further amends the pertinent provisions of RR 17-2011 to implement Section 9 of Republic Act (RA) No. 12214 (CMEPA), on Additional Deduction of Qualified Employer's Actual Contributions made to Personal Equity and Retirement Account (PERA) under RA No. 9505 (PERA Act of 2008).

RR No. 22 – 2025 dated 8 August 2025

- This regulation shall cover qualified employer's actual contribution made to PERA on 1 July 2025, onwards.

- The employer can claim the actual amount of its Qualified Employer's Contribution as a deduction from its gross income, but only to the extent of the employer's contribution that would complete the maximum allowable PERA contribution of an employee.

- Private employers who make voluntary contributions to their employees' PERA shall be entitled to an additional deduction from their gross income equivalent to 50% of the amount contributed, subject to the following conditions:

  (a) Private employers must contribute an amount at least equal to the contributions of their employees, subject to the maximum allowable contribution under RR No. 17-2011, as amended by RR No. 7-2023

  (b) Only private employers that contribute to all of their employees' PERA shall be eligible to the additional allowable deduction

- To determine that the condition stated above is met, the employee must also have contributed to PERA within the same calendar year.

- The Qualified Employer's Contribution, to the extent that it is allowable as deduction from gross income, shall likewise be exempt from withholding tax on compensation. For this purpose, the Administrator shall issue to the employer a certificate of the actual amount of Qualified Employer's Contributions.

- For purposes of recording the employer's contribution corresponding to its share in the qualified employee's PERA, allowable as a deductible expense from gross income, the account shall be designated as "Share in Qualified Employee's PERA Contribution."

- Full disclosure of the details of the share of the employer to the employees' PERA Contribution shall be part of the Notes to Financial Statements.

- These Regulations shall take effect on 23 August 2025.

RMC No. 78-2025 provides for the guidelines and procedures on the registration, filing of returns, and payment of Value-Added Tax (VAT) for Non-resident Digital Service Providers through the VAT on Digital Services Portal.

Revenue Memorandum Circular (RMC) No. 78-2025 dated 29 July 2025

- NRDSPs must enroll via the VDS Portal. The enrollment of the NRDSPs may also be done through their resident third-party service provider. Enrollment in the VDS Portal requires prior registration with the BIR.

- If the NRDSP is not yet registered with the BIR, it shall first register by accessing the ORUS link (https://orus.bir.gov.ph) provided in the VDS Portal.

- For those registered NRDSPs which need to update their VAT registration/ information, the same may be done through the ORUS.

- The BIR shall be formally informed of the appointment of a resident third-party service provider within 30 days from the date of appointment, through email at rdo39_vds@bir.gov.ph, attaching a PDF copy of the Letter of Appointment.

  - For VAT purposes, the appointment of a resident third-party service provider shall not classify the NRDSP as a resident foreign corporation doing business in the Philippines.

- NRDSPs are required to file their VAT returns and pay the VAT due thereon, on or before the 25th day of the month following the close of each taxable quarter, in accordance with the Philippine Time Zone (GMT+8).

- All VAT returns by NRDSP shall be filed through the VDS Portal. Payments shall be made via authorized payment channels integrated within the portal or as may be prescribed by the BIR.

- Any act of misrepresentation, failure to file VAT returns, or non-remittance of VAT payments on the prescribed due date shall be subject to the applicable surcharges, interests, penalties, and where warranted, criminal liability and blocking of sites under the National Internal Revenue Code of 1997, as amended.

- The NRDSP cannot claim refund for the erroneously paid VAT. However, the NRDSP may amend the previously filed BIR Form No. 2550-DS to reflect the overpayment which may be then carried over to the succeeding quarter/s.

- The BIR may conduct independent verification, including third-party information/sources, to determine whether NRDSPs are correctly declaring their gross sales and those of their customers for VAT purposes. The BIR shall inform the NRDSPs of any discrepancy discovered and provide them an opportunity for voluntary correction. Failure to rectify such discrepancies may result in the imposition of administrative and criminal sanctions under Section 12 on the Suspension or Closure of Online Business Operations and Section 13 on Penalties of RR No. 3-2025.

- All data submitted through the VDS Portal shall be treated as confidential and protected under RA No. 10173, otherwise known as the "Data Privacy Act of 2012" and existing tax laws and regulations.

Bangko Sentral ng Pilipinas

Bangko Sentral ng Pilipinas

BSP Memorandum No. M-2025-025: Philippine Sustainable Finance Taxonomy Guidelines Frequently Asked Questions Series 1.2 issued on 28 July 2025

The BSP issued the Frequently Asked Questions (FAQ) Series 1.2 to further provide clarity and guidance on the provisions and application of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG). This FAQs provides the rationale for the development of the taxonomy and its related governance and oversight framework. It likewise clarifies key SFTG provisions in relation to the scope of application, assessment of economic activities, traffic light classification system, and the current regulatory incentives supporting financing of eligible green or sustainable projects/activities.

The supplementary guidance does not supersede any provision of the SFTG. Banks are expected to refer to Circular No. 1187 dated 21 February 2024 for detailed guidance on the taxonomy and its implementation.

BSP Memorandum No. M-2025-027: Launch of the Credit Risk Database Philippines Web-based Scoring System (CRDPh System) issued on 29 July 2025

BSP announces the launch of the CRDPh System having the following information, as follows:

1) The Project is for the establishment of a credit risk database (CRD0 in the Philippines, a joint initiative of the BSP and the Japan International Cooperation Agency. It aims to enhance access to credit of small and medium enterprises (SMEs) by helping financial institutions (F1s) assess the creditworthiness of their SME borrowers, creating a truly inclusive economy for the country. The Project is participated by 33 pioneer F1s.

2) CRD is a large-scale database of anonymized financial, non-financial and borrower performance-related (due dates and past due status) data of small and medium enterprises (SME) provided by pioneer F1s from which a statistical credit scoring model was developed. The CRD scoring model can generate the probability of default and credit score (outputs) of an SME borrower in a particular group of similar attributes. As data is anonymized. CRD does riot provide borrower level credit history unlike existing credit registries/bureaus.

3) Phase 1 of the CRD Project, which started in 2020. involved the construction of database of SME data, and development and validation of CRD scoring model and its deployment to the pioneer F1s through a standalone CRD scoring tool. The ongoing Phase 2 of the CRD project will support the development of new CRD services and a transition plan toward a sustainable, permanent operation beyond the project-based phase.

4) CRDPh System is an automated platform designed to streamline the secured submission and processing of data and retrieval of CRD outputs. The system was developed to shift the standalone CRD scoring tool into a web-based platform.

5) By complementing existing models and tools, the CRDPh System expects to enhance the F1s' credit risk-based evaluation of SME borrowers, address information asymmetry, improve loan pricing, reduce dependence on collateral, and ultimately support access to finance of SMEs.

6) The use of CRD outputs is subject to the relevant regulatory expectations on credit risk management.

These are the guidelines on the submission of the report on intraday liquidity.

BSP Memorandum No. M-2025-024: Guidelines on the Submission of the Report on Intraday Liquidity (INTRADAY) using Extensible Mark-Up Language (XML) Format through Prudential Reporting Innovation and Monitoring Engine (PRIME) issued on 29 July 2025

In accordance with Section 145 of the Manual of Regulation for Banks (MORB) and Section 145-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on Liquidity Risk Management, all covered banks/quasi-banks shall observe the following guidelines relative to the submission of Report on Intraday Liquidity (INTRADAY) using Extensible Mark-up Language (XML) format through the PRIME beginning 30 September 2025 report, as follows:

1) XML schema definition (XSD), control prooflist (CP), and report template can be downloaded from the report details module of the PRIME under the BSP relationship management system (BRMS).

2) The generated XML, together with the scanned CP, duly signed by the authorized officials of the reporting BSP supervised financial institutions (BSFIs), shall be submitted within the prescribed deadline via the PRIME facility in accordance with the following specifications:

Report Code	Files for submission	File extension/ Format
INTRADAY	INTRADAY	Report in XML
	Control Prooflist	CP in PDF

3) The parallel run of the INTRADAY shall begin with reference period 31 July 2025 through the use of the Sandbox module of PRIME.

4) The live submission of INTRADAY in PRIME shall start with reference period 30 September 2025.

For Covered Banks

5) Detailed guidelines on the implementation of API-based submission via machine-to-machine modality and the use of the PRIME Submission Portal of covered institutions are provided in Memorandum No. M-2023- 022 dated 20 July 2023.

For Subsidiary QBs

6) Subsidiary QBs shall continue to use the official registered PRIME accounts of the authorized officers names in their submitted registration forms.

7) In generating their XML reports, subsidiary QBs may use either their own XML converter facility or BSP XML converter facility, which is made available in PRIME under the BRMS until otherwise advised.

8) Subsidiary QBs shall submit their generated XML report through machine-to-machine modality using the QBs chosen process as coordinated with the BSP. Otherwise, they may use the PRIME submission portal under the BRMS until further notice.

Other submission guidelines

9) Report submissions should continue to comply with existing BSP reporting standards. Only files prescribed by the BSP for the report shall be accepted, subjected to validation and applicable penalties for reporting violations.

10) Any queries regarding INTRADAY submission guidelines shall be sent via e-mail to DSAReports@bsp.gov.ph

This renames the Residential Property Price Index.

BSP Memorandum No. M-2025-026: Renaming of the BSP's Residential Property Price Index and Waiving of the Notarization Requirement of the Bank Quarterly Report on Residential Real Estate Loans and Quarterly Report on Appraised Commercial Properties issued on 30 July 2025

The following updates have been adopted in line with the continued enhancement of the BSP's property price indices, as follows:

1) *Renaming of the residential property price index*

- The "Residential Real Estate Price Index (RREPI)" has been renamed the "Residential Property Price Index (RPPI)".
- This change aligns the index's nomenclature with international standards and more accurately reflects its comprehensive coverage of residential property prices on the banking segment of the market.

2) *Waiving of Notarization Requirement*

- The Monetary Board has approved the waiving of the requirement for notarization of the Bank Quarterly Report on RRELs and QRACP submission by U/KBs, TBs, and DBs to streamline the reporting process. The following are amended as follows:

No.	Original Document	Original Provision	Revised Guidelines
1	Item 2 of the Memorandum No. M-2015-042, dated 2 December 2015	DES-RREPI Form 1 Reporting Template together with the corresponding scanned transmittal form in PDF ***duly notarized and signed*** by the authorized official of the reporting bank shall be electronically submitted within 20 banking days from the reference quarter xxxx	DES-RREPI Form 1 Reporting Template together with the corresponding scanned transmittal form in PDF ***duly signed*** by the authorized official of the reporting bank shall be electronically submitted within 20 banking days from the reference quarter xxxx

No.	Original Document	Original Provision	Revised Guidelines
2	Item 2 of Memorandum No. M-2019-017, dated 28 June 2019	Prescribed RT in Excel format and the scanned copy of the TF, ***duly notarized and signed*** by the authorized officials of the reporting bank, in PDF format shall be submitted within 20 banking days after the reference quarter through e-mail at: des-rrepi@bsp.gov.ph using the prescribed format for the subject as follows: xxx	Prescribed RT in Excel format and the scanned copy of the TF, ***duly signed*** by the authorized officials of the reporting bank, in PDF format shall be submitted within 20 banking days after the reference quarter through email at: des-rrepi@bsp.gov.ph using the prescribed format for the subject as follows: xxx
3	Item 3 of Memorandum No. M-2020-097, dated 28 December 2020	Beginning Q3 2022, the submission of the DES-CPPI Form 1 (in excel format) and its scanned Certification Form, which has been duly ***notarized and signed*** by the authorized officials of the banks and saved as a PDF, shall follow the prescribed submission deadline indicated in said Circular xxx	Beginning Q3 2022, the submission of the DES-CPPI Form 1 (in excel format) and its scanned Certification Form, which has been ***duly signed*** by the authorized officials of the banks and saved as a PDF, shall follow the prescribed submission deadline indicated in said Circular xxx
4	Item 4 of Memorandum No. M-2020-097, dated 28 December 2020	QRACP shall be electronically submitted to e-mail address: at esligdes@bsp.gov.ph. In the subject line of the email, the name of the bank and reference period should be indicated following the format below: "CPPI <Bank name>, <Reference Period>, "e.g., "CPPI Bank One, Q1 2019"	QRACP shall be electronically submitted to email address: at esligdes@bsp.gov.ph. In the subject line of the email, the name of the bank and reference period should be indicated following the format below: "CPPI <Bank name>, <Reference Period>", e.g., "CPPI Bank One, Q2 2025"

This Memorandum provides for the Suspension of In-app gambling access in mobile payment apps and websites.

BSP Memorandum No. M-2025-029: Suspension of In-app Gambling Access in Mobile Payment Apps and Websites issued on 14 August 2025

In Resolution No. 805, the Monetary Board has approved the suspension of in-app gambling access from all BSP-Supervised Institutions (BSIs) mobile payment apps and websites pending the issuance and implementation of the corresponding policy that provides standards and expectations for BSIs in the provision of online gambling payment services. This is in view of the surge in online gambling transactions and the heightened public concern on its financial health impact on consumers. In view thereof, all BSIs are hereby instructed to remove links providing in-app gambling access in BSIs' mobile payment apps and websites within 48 hours upon issuance of this Memorandum.

Note that "*In-app gambling access*" includes any product/service that redirects an account holder to a gaming/gambling site.

Unit Investment Trust Funds (UITFs) are recognized as BSP-eligible PERA investments products under the Eligibility Criteria for PERA Investment Products

BSP Memorandum No. M-2025-030: Unit Investment Trust Funds (UITFs) Structured as Feeder Funds/Fund-of-Funds with Foreign Exposures/Investments as Personal Equity and Retirement Account (PERA) Investment Products issued on 20 August 2025

The BSP clarifies that UITFs created or issued in the Philippines that may have underlying investments in foreign-issued securities or funds- such as global feeder funds or fund-of-funds – may qualify for accreditation as PERA Investment Products, subject to the existing approval process applicable to such structures. The availability of these types of funds as investment products provides PERA Contributors with additional means to diversify their investment portfolios. In return, it supports the capital market development objectives of PERA Law by broadening the range of available instruments and providing additional diversification opportunities.

Securities and Exchange Commission

Bureau of Internal Revenue
Bangko Sentral ng Pilipinas
Securities and Exchange Commission
Court of Tax Appeals
Supreme Court Cases

Securities and Exchange Commission

SEC Memorandum Circular

The classification of common shares into Class "A" and Class "B" of all listed companies shall be discontinued.

SEC Memorandum Circular (MC) No. 10, Series of 2025 dated 7 August 2025

Repeal of the Rules Allowing the Trading of "B" Shares on the Regular Board and Requiring Buyers to Accept Either "B" or "A" Certificates

Following the mandated declassification of the Class "A" and "B" shares, the listed corporations still having both Class "A" and Class "B" shares shall amend their respective Articles of Incorporation (AOI) to reflect such change within one year from the effectivity of this Memorandum Circular.

During the period to amend AOI, buyers on the regular board shall accept the delivery of the specific class of shares that they have purchased and paid for and shall not be compelled to receive an alternative class of shares.

In the remote event that a trade is executed and the same results in a breach of allowable foreign ownership limits, the foreign buyer, through its broker, shall immediately cause the disposition of such number of shares that caused the breach of the foreign ownership limit as soon as practicable upon discovery of the breach at the prevailing market price and shall return the proceeds to the foreign investor. For the avoidance of doubt, if the breach is discovered during trading hours, the disposition should be done immediately upon discovery, within the same trading day; otherwise, the disposition should be done upon the opening of trading on the immediately succeeding trading day.

Violation of the provisions of this Memorandum Circular shall, after due notice and hearing, be subject to the appropriate penalty provided under Section 54 of the Securities Regulation Code.

This Memorandum Circular became immediately effective after its publication in Manila Bulletin and Manila Standard on 9 August 2025.

SEC Notices

Shortened Validity of Payment Assessment Forms (PAF)

The SEC shortened the validity of PAF to 10 days from 45 days.

SEC Notice posted on 28 July 2025

The 10-day validity will apply to PAFs for all SEC transactions, except those issued for the payment of fines and penalties, starting 28 July 2025.

New E-mail of Markets and Securities Regulation Department – Securities Registration Division (MSRD-SRD)

The MSRD-SRD may be reached through its new e-mail address, msrd_srd@sec.gov.ph.

SEC Notice posted on 7 August 2025

To facilitate proper tracking of requests, applications and related transactions, applicants should use the subject format, *[Company Name]_[Application Type]*, when submitting documents to the MSRD-SRD.

Submission of Secondary Reports Through ictdsubmission@sec.gov.ph

Effective 18 August 2025, filing of secondary reports sent to ictdsubmission@sec.gov.ph will be automatically reverted if they fall under any of the specified reasons for reversion.

SEC Notice posted on 12 August 2025

Reasons for Reversion

Reason	Reminder
1. Incorrect Subject Line Format	Follow the e-mail subject line format, *[Form Type Code]: [SEC Registration Number].*
2. No Attachment	The document attached to the e-mail should be a single PDF file not exceeding 25MB.
3. Submission using the "Cc" Recipient	Use the "To" field.
4. Incorrect File Format	The attached document should be in PDF format.
5. Multiple Attachments	The report submitted should be a single PDF file containing the complete set of documents.
6. Incorrect Filing of Report	Only certain Form Types may be submitted to ictdsubmission@sec.gov.ph. Take note of reportorial requirements that should be submitted through the SEC Electronic Filing and Submission Tool or eFAST.
7. Submission Using an E-mail Reply	Create an original message.
8. Attachment File Size Exceeds the Allowable Limit	The attached PDF file should not exceed 25MB.
9. Report No Longer Required for Filing in ictdsubmission	There are secondary reports no longer required to be filed through ictdsubmission.
10. E-mail with Embedded Links	E-mail should be free from embedded links or hyperlinks.

Change in SEC Contact Center Hotline Number

Effective 1 September 2025, the new hotline number of the SEC Contact Center is 8-250-4521. This number will serve as the primary channel for general inquiries and assistance.

SEC Notice posted on 20 August 2025

Amendment of Requirements for Applications to Decrease Capital Stock

The SEC shall no longer require the submission of the written consent of each creditor in connection with applications for decrease of authorized capital stock filed with the Financial Analysis and Audit Department (FAAD).

SEC Notice posted on 28 August 2025

The SEC, however, shall strictly enforce the requirement for publication of the application for decrease of capital stock. The Publisher's Affidavit must include, at the minimum, the following:

1. Name of Publisher of Newspaper of General Circulation
2. Name of Publisher's Representative (signatory)
3. Date of Publication
4. Contents of Notice of Decrease of Capital Stock
    a. Complete Corporate Name
    b. SEC Registration Number
    c. Date of Meeting of Board of Directors approving the decrease (for non-One Person Corporation or non-OPC)

d. Date of Meeting of Stockholders approving the decrease (for non-OPC)
e. Date of Resolution of Sole Director-Stockholder (for OPC)
f. Current Amount of Total Authorized Capital Stock (ACS)
g. Amount of ACS after SEC approval of decrease

5. Notarial Portion.

The requirement of submitting the List of Creditors, if the decrease involves a return of capital, shall accordingly be replaced with a Certification executed under oath by the Company Treasurer, attesting to the following:

1. A complete list of creditors as of last fiscal year
2. That all creditors have been duly informed of the decrease of capital stock
3. That no opposition from any creditor has been received
4. That the decrease of capital stock is undertaken for a valid and legitimate purpose and is not intended to defraud creditors

SEC OPINIONS

Effect of Merger

The right to use trademarks may be among the property rights transferred from the absorbed corporation to the surviving corporation, by operation of law, in a merger pursuant to Section 79 of the Revised Corporation Code of the Philippines (RCCP).

SEC OGC Opinion No. 25-11 dated 14 July 2025 (posted on 12 August 2025)

Thus, the right to use trademarks granted by a parent corporation to its subsidiary, which is the absorbed corporation in a merger, is transferred, by operation of law, to the surviving corporation. The surviving corporation may use such trademarks subject to such limitations imposed by the parent company on the right to use, and subject to other rules, regulations, and rulings of the Intellectual Property Office (IPO).

Incorporated Joint Ventures

Two foreign corporations who enter into an agreement to form a domestic corporation, which shall own and hold shares and/or interests in other various corporations engaged in power generation and electricity supply businesses, create an incorporated Joint Venture (JV). A JV which takes the form of a corporation will be formed under and governed by the RCCP. It can only come into existence in the manner prescribed by law. The foreign corporations and the domestic corporation or incorporated JV each have separate and distinct personalities.

SEC OGC Opinion No. 25-12 dated 14 July 2025 (posted on 12 August 2025)

The foreign corporations may enter into an agreement or shareholders' agreement covering the terms of ownership, governance and management of the domestic corporation or the JV pursuant to their autonomy to contract. The foreign corporations may stipulate in the agreement whatever provisions they may deem proper, provided that the same are not contrary to law, morals, good customs, public order, or public policy. Provided further that, by choosing to incorporate, the parties may not do away with the provisions of the RCCP. Provisions of the RCCP are deemed written into the shareholders' contract. Provisions contrary to the RCCP and other relevant or related laws, rules, and regulations on corporations cannot be stipulated away by the parties, e.g., by including a provision that the laws of another country shall govern the agreement. In short, the RCCP and other corporation laws take precedence over, and shall prevail when in conflict with, any shareholders' agreement.

Court of Tax Appeals

Silence on any prohibition to perform a particular action does not equate to freedom to perform such action, especially if such action would be so pervasive as to affect a party's right to due process of law. Under our tax laws and as established by jurisprudence, the issuance of a Letter of Authority (LOA) to a revenue officer who will conduct the examination of a taxpayer is an essential right to due process, in such that absence of a LOA violates a taxpayer's right to due process and renders the resulting assessment void.

Court of Tax Appeals

Commissioner on Internal Revenue vs. Company S
CTA EB No. 2880 promulgated 15 August 2025

Facts:

The BIR through Revenue District Office No. 54A issued and served Tax Verification Notice (TVN) to Company S. Results of the investigation showed deficiency Documentary Stamp Tax (DST) for 2010. A Final Decision on Disputed Assessment (FDDA) was issued against Company S in the Formal Letter of Demand/Final Assessment Notice (FLD) for TY 2010.

The Commissioner of Internal Revenue (CIR) avers that Company S is liable for the assessed deficiency DST and further insists that absence of a LOA is inconsequential as a TVN was issued as its equivalent.

Company S counters that the Answer to Interrogatories of the Revenue Officer (RO), who conducted the examination of Company S's books and records, have already established that no LOA was issued and that the examination of the RO was authorized only by a TVN issued by a Revenue District Officer (RDO).

Issue:

Was there a valid assessment?

Ruling:

No. The examination of a taxpayer may only be done by the CIR or his duly authorized representative, among which are the Revenue Regional Directors, through the issuance of LOA, and that RDs may authorize ROs to conduct examination by issuing LOA.

Unless undertaken by the CIR himself or his duly authorized representatives, other tax agents may not validly conduct any of these kinds of examinations without prior authority. There must be a grant of authority, in the form of a LOA, before any revenue officer can conduct an examination or assessment. The revenue officer so authorized must not go beyond the authority given. In the absence of such an authority, the assessment or examination is a nullity.

The LOA is the concrete manifestation of the grant of authority bestowed by the CIR or his authorized representatives to the revenue officers, pursuant to Sections 6, 10 (c) and 13 of the National Internal Revenue Code (NIRC), as amended.

While the Revenue RD is so empowered to issue LOAs under Section 10(c) of the NIRC, as amended, nothing is further provided that he may also delegate (i.e. to RDOs) said power to issue LOAs in the form of TVNs. While nothing prohibits the RD to delegate the power to issue LOAs, nothing, however, empowers him to do so.

TVN issued by an RDO is not an equivalent and cannot be a substitute for a LOA to authorize the examination of a taxpayer. There being no LOA authorizing the RO to conduct examination on Company S's books and records, the resulting deficiency DST assessment is inescapably void.

The BIR accreditation of tax agents stands as a reasonable and necessary measure to ensure that practitioners maintain proficiency in the ever-evolving field of tax and procedure. It is a legitimate exercise of power flowing from the BIR's express power to accredit tax agents and express mandate under the NIRC, as amended, to administer, enforce, and implement tax laws with efficacy and integrity.

Petitioner E vs. Commissioner of Internal Revenue
CTA Case No. 11309, promulgated 6 August 2025

Facts:

Petitioner E, a Certified Public Accountant (CPA), filed a request to question the constitutionality of certain provisions of Revenue Regulations (RR) No. 11-2006, as amended by RR No. 04-2010 for regulating the accountancy profession as said Regulations require CPAs to be accredited with the BIR as tax agents. Petitioner E contends that said issuances of the BIR encroached into the exclusive domain of the Professional Regulatory Board of Accountancy (PRBA) in regulating the practice of accountancy as a profession, thus violating Republic Act (RA) No. 9298, citing Securities and Exchange Commission (SEC) v. 1Accountants Party-List, Inc., et. al.

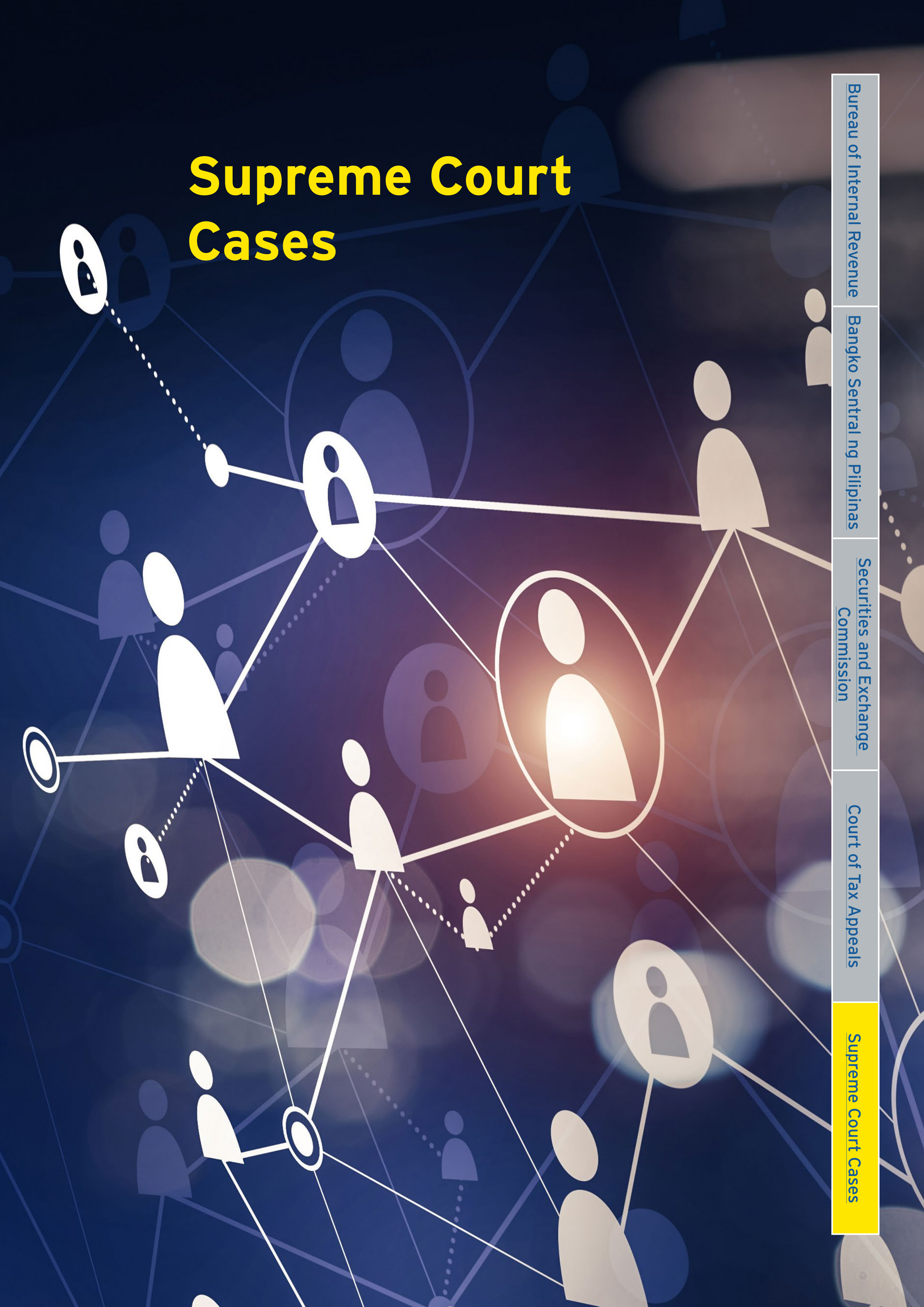
Issue:

Whether the accreditation of CPAs by BIR as tax agents is void?

Ruling:

No, the BIR's accreditation of tax agents stands as a reasonable and necessary measure to ensure that practitioners maintain proficiency in the ever-evolving field of tax and procedure. It is a legitimate exercise of power flowing from the BIR's express power to accredit tax agents and express mandate under the NIRC, as amended, to administer, enforce, and implement tax laws with efficacy and integrity.

Supreme Court Cases



Supreme Court Case

Commissioner of Internal Revenue vs. Company M
Supreme Court (Second Division), G.R. No. 263794, promulgated 2 April 2025

The court cannot consider the issue of the non-issuance of the Letter of Authority if this is not raised by the parties as an issue in their pleadings and during trial.

Prescription is a matter of defense, and the burden of proof lies with the taxpayer to establish that the limitation period has expired.

Facts:

The Commissioner of Internal Revenue (CIR) issued a Formal Assessment Notice (FAN) to Company M for deficiency in Income Tax, Value-Added Tax (VAT), Expanded Withholding Tax (EWT), and Withholding Tax on Compensation (WTC) for the calendar year 2006. In response, Company M protested the assessment and subsequently filed a Petition for Review with the Court of Tax Appeals (CTA).

The CTA Division canceled the assessment after determining that the examination of Company M's books was not authorized by a valid Letter of Authority (LOA) and that the CIR failed to present any evidence or witnesses to validate the audit and assessment process. The CTA further ruled that even assuming a valid LOA exists, the subject assessment have already prescribed. Company M received the FAN more than three-year period to assess under Section 203 of the Tax Code. The CTA held that the ten-year prescriptive period in Section 222 of the Tax Code will not apply since CIR failed to adduce evidence of fraud on the part of Company M.

The CIR filed a Motion for Reconsideration and/or New Trial. It argued that the issuance of the LOA was never raised as an issue during trial; hence, it is dispensed with the presentation of the LOA as evidence. With respect to the issue of prescription, the CIR argued that the ten-year prescriptive period should apply due to Company M's alleged filing of false income tax return and non-filing of VAT return. The CTA denied such motion.

Issues:

1. Should the issue of the non-issuance of the LOA be considered, even though it was never raised during the trial?

2. What is the applicable prescriptive period for tax assessments in this case, and does the burden of proof lie with the taxpayer to establish the date of filing tax returns?

Ruling:

1. No, the issue on the alleged non-issuance of the LOA should not be considered. The parties involved did not raise the existence of the LOA as an issue in their pleadings or during the trial. Therefore, it is crucial to uphold the principle that tax assessments are presumed correct and made in good faith. Following previous decisions of the Supreme Court, the CTA should not have ruled on this matter, as it infringes upon the right of the CIR to refute allegations regarding the assessment's invalidity.

2. The ten-year statute of limitations should generally apply in this case. Under Section 203 of the Tax Code, the government's right to assess deficiency taxes generally prescribes in three years from the filing date of the tax return. However, Section 222 allows for a 10-year assessment period in cases of false returns, fraud, or failure to file.

   The three-year period applies unless the government proves, by clear and convincing evidence, that the 10-year period is warranted. Prescription is a matter of defense, and the burden of proof lies with the taxpayer to establish that the limitation period has expired. The taxpayer must establish the date when the period started running and when the same was fully accomplished.

   Company M did not present its Annual Income Tax Return and VAT returns for 2006, preventing it from claiming the defense of prescription. Without evidence of filing, it is presumed that no returns were filed, allowing the BIR the full 10 years to make the assessment.

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APAC No. 10001399
Expiry date: no expiry

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We welcome your comments, ideas and questions. Please contact Allenierey Allan V. Exclamador via e-mail at allenierey.v.exclamador@ph.ey.com or at telephone number (632) 8894-8398.

The deadlines and timelines mentioned in this Tax and Regulatory Bulletin are pursuant to our understanding of the existing administrative issuances of the BIR as of the date of writing.